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FISCAL IMPACT REPORT



SPONSOR: Romero DATE TYPED: 02/08/02 HB _____

SHORT TITLE: Impact Analyses of Waste Disposal Activities SB SJM 31/aSRC

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
			*\$125.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

*See Narrative

SOURCES OF INFORMATION

LFC Files

Response Received

State Land Office (SLO)
 Department of Game and Fish (DGF)
 New Mexico Environment Department (NMED)

No Response Received

Energy Minerals & Natural Resources (EMNR)

SUMMARY

Synopsis of SRC Amendment

The Senate Rules Committee Amendment to Senate Joint Memorial 31 adds clarifying language in the following areas:

Prior to New Mexico Environment Department (NMED) approval of hazardous waste facility permit applications, *demonstrated* financial assurance for post-closure care must be provided *prior to permit approval*; and

Prior to formal action on permits, NMED must ensure that an analysis is performed regarding the potential impacts of proposed waste disposal facilities on *the*

economy and public services such as schools, state and local economies, the local tax base, and public services including school infrastructure.

Synopsis Original of Bill

Senate Joint Memorial 31 would require the NMED to develop legislation pertaining to actions that would be required by solid or hazardous waste facility applicants prior to the NMED issuing the required permits from the State. Included in those actions would be an analysis of potential impacts on the environment, economy and public services; financing of emergency response services by the facility operators; and financial assurances of closure and post-closure care of the sites. Findings and recommendations would be due by August 31, 2002.

Significant Issues

Permit decisions are currently made on the basis of compliance with environmental protection regulations. Solid and hazardous waste facilities, other than those that are federally owned, will continue to be required to provide financial assurance for closure and post-closure care of permitted facilities.

This bill would expand the scope of current solid waste and hazardous waste regulations by requiring analyses of economic and social impacts of proposed facilities. The NMED states that conducting such analyses would require unique expertise that currently does not exist within NMED.

According to the Department of Game and Fish (DGF), there is a trend towards larger regional landfills that serve large geographic areas. Due to the size and lifespan of these facilities, there are more potential impacts to both wildlife and their habitats than before this trend. Additionally, due to large areas of the state with low-density populations, New Mexico continues to be looked at for hazardous waste material storage.

FISCAL IMPLICATIONS

According to the NMED, the analyses required in response to SJM 31 would necessitate additional staff resources, representing an estimated annual cost of approximately \$125.0.

ADMINISTRATIVE IMPLICATIONS

If this bill is enacted, which would require analyses of the potential economic and social impacts of solid waste and hazardous waste facilities, NMED believes that significant staffing increases would be needed to process and issue facility permits. Also, according to NMED, individuals with expertise in economics and sociology would need to be added to current staff or contracted in order to satisfy the requirements of this bill.

TECHNICAL ISSUES

Legislation proposed in response to SJM31 would amend 74-4-4.A NMSA 1978 (Hazardous Waste Act), which states in part, that State regulations can only be "...equivalent to and no more stringent than federal regulations." Federal regulations do not currently require the economic and social impact analyses proposed by SJM31.

OTHER SUBSTANTIVE ISSUES

SJM31 states “*WHEREAS, state law does not now provide for: A. an analysis of potential impacts of proposed waste disposal facilities on the environment, ...*” According to the NMED, the Solid Waste Act and the Hazardous Waste Act currently requires an analysis of impacts on the environment.

SJM31 states “*WHEREAS, state law does not now provide for: C. financial assurance for closure and post-closure care prior to approval;*” ... According to the NMED, both the Solid Waste Act and Hazardous Waste Act currently require financial assurance for closure and post-closure care of permitted facilities, except for facilities which are owned or operated by the state or federal governments. This bill clarifies that financial assurance must be provided prior to permit approval.

RLG/ar/njw